

OFFICE OF THE STATE CONTROLLER
WORKSHEET INSTRUCTIONS
JUNE 30, 1998
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The State of North Carolina is required by the federal government to issue on an annual basis the *Schedule of Expenditures of Federal Awards*. The *Schedule of Expenditures of Federal Awards* is prepared by the Office of the State Controller and it is included as a supplemental disclosure in the *Single Audit Report*. The *Schedule of Expenditures of Federal Awards* is presented on a cash basis and must show total expenditures (disbursements) for each federal financial assistance program as identified in the *Catalog of Federal Domestic Assistance* (CFDA). Federal financial assistance not specifically identified is reported as **Other Federal Assistance**.

The disclosure of federal financial assistance includes not only monies received from the Federal Government, but also the value of property received. Examples of federal assistance may include:

- surplus property
- agricultural commodities
- food stamps
- grants
- contracts
- loans and loan guarantees
- cooperative agreements
- interest subsidies
- insurance or direct appropriations.

A particular federal program may consist of several grants. **For compilation and reporting purposes, please present only one line for each CFDA number (Two lines if one program is direct and another indirect).**

In reviewing your accounting records please be careful to make certain that proper CFDA numbers and titles, as listed in the Catalog of Federal Domestic Assistance or Program/Grant documents, have been properly disclosed on all worksheets.

The attached format should be used in submitting your *Schedule of Expenditures of Federal Awards*. **Special emphasis should be placed on making sure that the Schedule of Expenditures of Federal Awards disbursements are program disbursements (cash basis), and not merely transfers to an operating fund. The disbursements column should indicate the monies expended as authorized by the federal program.**

Instructions for completion of the Schedule of Expenditures of Federal Awards

- 1) **Federal Agency Number** represents the first two digits of CFDA number (for example, Agriculture is 10).
- 2) **Federal CFDA Number** represents the federal program number found in the Catalog of Federal Domestic Assistance and also in your grant documents. **For reporting purposes only, for "Direct" grants where there is NOT a CFDA number available, lump all detail "Direct" grants to one line (or record) and repeat the federal agency number as indicated in column (1).** For example, if you have multiple detail **"Direct" grants without a specific CFDA** from the U.S. Department of Defense, you will only need to report one line in your schedule labeled U. S. Department of Defense. However, every effort should be made to identify grants by their correct individual CFDA number and title where applicable. **"Indirect" grants must be reported in detail** by indirect source or grantor.

Detail supporting documentation, maintained by each state agency, university, or community college, will still be required by the State Auditor.

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- 3) **Direct/Indirect (D/I)** should indicate whether the source of funding is the federal government directly or a non-State of North Carolina entity. Examples of non-State of North Carolina indirect sources would be: Duke University, University of Iowa, or a city or county government.
- 4) **Program Cluster** relates to the eleven clusters referred to in the attached detailed listing of CFDA/Clusters (FED16 to FED24). **You may have a CFDA program that is not classified in any particular cluster. In that event, please indicate this by placing "NC" in the Program Cluster field.**
- 5) **Program Disbursements** relate to disbursements (cash basis) of federal funds according to federal program requirements. Program disbursements would not be represented by the movement of federal funds from a clearing account or code to an operating account or code. The disbursement from the operating code represents the actual program disbursement.
- 6) **Pass-Through Number** - This information is required when the source of funds is indirect.
- 7) **Pass-Through Entity Name** - The name of the source of funds is required when the source of funds is indirect.
- 8) **Official Federal (CFDA) Program Title** as of June 30, 1998 or **Title Provided in Program/Grant Documents**, when programs are not listed in the Catalog of Federal Domestic Assistance.

The following agencies and **all universities** should submit this information on **3.5 inch diskette in Lotus wk1 format or a spreadsheet readable by Microsoft Excel 5.0:**

ESC, Labor, ENR, DHHS

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Audit Findings Follow-up

The auditee (*agency, university, community college, or other component unit*) is responsible for follow-up and corrective action on all audit findings. **EACH AGENCY, UNIVERSITY, COMMUNITY COLLEGE OR COMPONENT UNIT IS RESPONSIBLE FOR COMMUNICATING WITH THE STATE AUDITOR AND KNOWING WHETHER THERE ARE AUDIT FINDINGS RELATED TO FEDERAL PROGRAMS THEY ADMINISTER OR HAVE OVERSIGHT RESPONSIBILITY FOR.** As part of this responsibility, the auditee shall prepare a **summary schedule of prior audit findings** to be submitted (**on 3.5 inch diskette, readable by Microsoft Word 6.0**) to the State Controller **by August 31**. The auditee shall also prepare a **corrective action plan** for current year audit findings and submit this corrective action plan (**on 3.5 inch diskette, readable by Microsoft Word 6.0**) to the State Controller **by January 31** (7 months after the fiscal year end). The summary schedule of prior audit findings shall include reference numbers the State Auditor assigns to audit findings assigned in the prior year(s) *Single Audit Report*. The **corrective action plan** shall include the reference numbers the State Auditor assigns to audit findings in your agency's or institution's management letter. Since **the summary schedule of prior audit findings** may include audit findings from multiple years, it shall include the fiscal year in which the finding initially occurred.

Summary schedule of prior audit findings (Due August 31, and as of August 31.)

- Provides current status of previously reported audit findings until such findings are corrected
- This information is required under OMB Circular A-133. The new requirement provides additional guidance to the auditee on the presentation of this information.
- **Auditee reports on the status of all audit findings** included in both the prior audit's schedule of findings and questioned costs and the prior audit's summary schedule of prior audit findings
- Auditee reports as follows (**Please make reference to the attached proforma**):
 1. When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken.
 2. When audit findings were not corrected or were only partially corrected, the summary schedule shall describe the planned corrective action as well as any partial corrective action taken.
 3. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agency's management decision, the summary schedule shall provide an explanation.
 4. When the auditee believes the audit findings are no longer valid or do not warrant further action, the reasons for this position shall be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:
 - Two years have passed since the audit report in which the finding occurred was submitted to the federal clearinghouse;
 - The federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and
 - A management decision was not issued.

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Corrective action plan (Due January 31, seven months after fiscal year end)

- Addresses each audit finding included in the current year management letter
- Includes
 - Name(s) of contact person(s) responsible for corrective action
 - Corrective action planned
 - Anticipated completion date
 - Explanation with specific reasons if auditee does not agree with the audit findings or believes corrective action is not required

Submit your completed *Schedule of Expenditures of Federal Awards*, *Summary Schedule of Prior Audit Findings*, and footnote worksheets **no later than August 31.**

This information should be **submitted S E P A R A T E L Y** from your Comprehensive Annual Financial Report (CAFR) worksheets and statements.

There are separate check-in, review and compilation procedures for the Single Audit information. If your Single Audit package is not submitted separately it slows down this process.

Please address your Single Audit package as follows:

**Financial Reporting Section
N.C. Office of the State Controller
3512 Bush Street
Raleigh, NC 27609-7509
Courier 56-50-10**